Ďistrict I

1625 N French Dr , Hobbs, NM 88240

District II

1301 W Grand Ave , Artesia, NM 88210

District III

1000 Rio Brazos Rd , Aztec, NM 87410

State of New Mexico Energy Minerals and Natural Resources

Department Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM, 87505

Form C-144 July 21, 2008

For temporary pits, closed-loop sytems, and below-grade tanks, submit to the appropriate NMOCD District Office

For permanent pits and exceptions submit to the Santa Fe

| District IV 1220 S St Francis Dr , Santa Fe, NM 87505 | Environmental Bureau office and provide a copy to the appropriate NMOCD District Office |
|--|---|
| Pit, Closed-Loop System, Be | low-Grade Tank, or |
| Proposed Alternative Method Perm | nit or Closure Plan Application |
| Type of action: Permit of a pit, closed-loop system, b | elow-grade tank, or proposed alternative method |
| /1 ₂ 4 ' | below-grade tank, or proposed alternative method |
| Modification to an existing permit | |
| Closure plan only submitted for an expension of the control of the | xisting permitted or non-permitted pit, closed-loop system, |
| below-grade tank, or proposed alternative | ative method |
| Instructions: Please submit one application (Form C-144) per individual p | |
| Please be advised that approval of this request does not relieve the operator of liability she environment. Nor does approval relieve the operator of its responsibility to comply with any | |
| 1 | |
| Operator: Burlington Resources Oil & Gas Company, LP | OGRID#: <u>14538</u> |
| Address: PO Box 4289, Farmington, NM 87499 | |
| Facility or well name: Cleveland 7R | |
| API Number: 30-045-30862 OCD | Permit Number. |
| <u> </u> | Range: 9W County: San Juan |
| | ngitude:107.78995 |
| Surface Owner: X Federal State Private Tribal 7 | Trust or Indian Allotment |
| Pit: Subsection F or G of 19 15 17 11 NMAC Temporary Drilling Workover Permanent Emergency Cavitation P&A Lined Unlined Liner type Thickness mil String-Reinforced Liner Seams Welded Factory Other Vol | LLDPE HDPE PVC Other |
| X Closed-loop System: Subsection H of 19 15 17 11 NMAC | ing (Applies to activities which require prior approval of a permit or |
| Drying Pad X Above Ground Steel Tanks Haul-off Bins Ot Lined Unlined Liner type Thickness mil Liner Seams Welded Factory Other | LLDPE HDPE PVD Other A21314151677 |
| 4 Below-grade tank: Subsection I of 19.15 17 11 NMAC Volume bbl Type of fluid Tank Construction material Secondary containment with leak detection Visible sidewalls, liner, 6-in | ch lift and automatic overflow shut-off |
| Visible sidewalls and liner Visible sidewalls only Other Liner Type Thickness mil HDPE PVC | Other |
| 5 Alternative Method: | |
| Submittal of an exception request is required. Exceptions must be submitted to the Sai | nta Fe Environmental Bureau office for consideration of approval |

Form C-144

Oil Conservation Division

Page 1 of 5

| 6'' | | |
|---|-----------------|----------|
| Fencing: Subsection D of 19.15 17 11 NMAC (Applies to permanent pit, temporary pits, and below-grade tanks) | | |
| | | |
| Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, hospital, ins | titution or chu | rch) |
| Four foot height, four strands of barbed wire evenly spaced between one and four feet | | |
| Alternate Please specify | | |
| 7 | | |
| Netting: Subsection E of 19 15 17.11 NMAC (Applies to permanent pits and permanent open top tanks) | | |
| Screen Netting Other | | |
| Monthly inspections (If netting or screening is not physically feasible) | | |
| 8 | | |
| Signs: Subsection C of 19 15 17 11 NMAC | | |
| 12" X 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers | | |
| X Signed in compliance with 19 15 3 103 NMAC | | |
| | | |
| 9 Administrative Approvals and Exceptions: | | |
| Justifications and/or demonstrations of equivalency are required Please refer to 19 15.17 NMAC for guidance | | |
| Please check a box if one or more of the following is requested, if not leave blank: | | |
| Administrative approval(s) Requests must be submitted to the appropriate division district of the Santa Fe Environmental Bureau office for cons | aderation of ar | pproval |
| (Fencing/BGT Liner) | | |
| Exception(s) Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval | | |
| | | |
| Siting Criteria (regarding permitting): 19 15 17.10 NMAC | | |
| Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable | | |
| source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the | | |
| appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau Office for | ļ | |
| consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above grade-tanks associated with a closed-loop system. | | |
| and a property to anything prime of the original annual accordance with a coccer took of process. | | _ |
| Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. | Yes |]No |
| - NM Office of the State Engineer - iWATERS database search, USGS, Data obtained from nearby wells | _ | |
| Within 300 feet of a continuously flowing watercourse, or 200 feet of any other watercourse, lakebed, sinkhole, or playa lake | Yes | ☐]No |
| (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site | | |
| - Topographic map, visual hispection (certification) of the proposed site | | |
| Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial | Yes | No |
| application. | | |
| (Applies to temporary, emergency, or cavitation pits and below-grade tanks) | ∐NA | |
| - Visual inspection (certification) of the proposed site, Aerial photo, Satellite image | | _ |
| Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. | Yes | ☐]No |
| (Applied to permanent pits) | □NA | |
| Visual inspection (certification) of the proposed site; Aerial photo; Satellite image | | |
| Within 500 horizonal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering | Yes | No |
| purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. | _ | |
| - NM Office of the State Engineer - IWATERS database search; Visual inspection (certification) of the proposed site | | |
| | | — |
| Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended | Yes |]No |
| - Written confirmation or verification from the municipality; Written approval obtained from the municipality | | |
| Within 500 feet of a wetland. | Yes | No |
| - US Fish and Wildlife Wetland Identification map, Topographic map, Visual inspection (certification) of the proposed site | | _ |
| Within the area overlying a subsurface mine. | Yes | □No |
| - Written confirmation or verification or map from the NM EMNRD - Mining and Mineral Division | | _ |
| Within an unstable area. | Yes | ∐No |
| - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources, USGS, NM Geological | | |
| Society; Topographic map | v | |
| Within a 100-year floodplain - FEMA map | Yes | ∐No |

| Temporary Pits, Emergency Pits and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19 15 17 9 NMAC |
|---|
| Instructions. Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached |
| Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19 15.17.9 NMAC |
| Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17 9 |
| Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC |
| Design Plan - based upon the appropriate requirements of 19.15 17 11 NMAC |
| Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17 12 NMAC |
| Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19 15.17.9 NMAC and 19 15.17.13 NMAC |
| Previously Approved Design (attach copy of design) API or Permit |
| 12 |
| Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19 15 17 9 NMAC |
| Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19 15.17.9 |
| Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19 15.17 10 NMAC |
| Design Plan - based upon the appropriate requirements of 19 15 17.11 NMAC |
| Operating and Maintenance Plan - based upon the appropriate requirements of 19 15.17 12 NMAC |
| |
| Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19 15 17 9 NMAC and 19 15.17 13 NMAC |
| Previously Approved Design (attach copy of design) API |
| Previously Approved Operating and Maintenance Plan API |
| 13 |
| Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC |
| Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. |
| Hydrogeologic Report - based upon the requirements of Paragraph (I) of Subsection B of 19 15.17.9 NMAC |
| Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19 15 17.10 NMAC |
| Climatological Factors Assessment |
| Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC Dike Protection and Structural Integrity Design: based upon the appropriate requirements of 19.15.17.11 NMAC |
| Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC |
| Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15 17.11 NMAC |
| Quality Control/Quality Assurance Construction and Installation Plan |
| Operating and Maintenance Plan - based upon the appropriate requirements of 19.15 17 12 NMAC |
| Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19 15.17.11 NMAC |
| Nuisance or Hazardous Odors, including H2S, Prevention Plan |
| Emergency Response Plan |
| Oil Field Waste Stream Characterization |
| Monitoring and Inspection Plan |
| Erosion Control Plan |
| Closure Plan - based upon the appropriate requirements of Subsection C of 19 15 17.9 NMAC and 19 15 17.13 NMAC |
| 14 Proposed Closure: 19 15 17 13 NMAC |
| Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan. |
| Type Drilling Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank Closed-loop System |
| Alternative |
| Proposed Closure Method Waste Excavation and Removal Waste Removal (Closed-loop systems only) |
| On-site Closure Method (only for temporary pits and closed-loop systems) |
| In-place Burial On-site Trench |
| Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration) |
| 15 |
| Waste Excavation and Removal Closure Plan Checklist: (19 15 17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan. |
| Please indicate, by a check mark in the box, that the documents are attached. |
| Protocols and Procedures - based upon the appropriate requirements of 19 15 17 13 NMAC |
| Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17 13 NMAC |
| Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings) Soil Bookfill and Cover Design Specifications - beard your the consequence of Subsection H of 10.15.17.13 NIMAC |
| Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15 17.13 NMAC |
| Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC |
| Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19 15 17.13 NMAC |

Form C-144 Oil Conservation Division Page 3 of 5

| 16 | | | | |
|---|---|----------------------------|--|--|
| Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Instructions Please identify the facility or facilities for the disposal of liquids, dri facilities are required | | 1 | | |
| Disposal Facility Name | Disposal Facility Permit # | | | |
| Disposal Facility Name | | | | |
| Will any of the proposed closed-loop system operations and associated act. Yes (If yes, please provide the information No | - ' | service and | | |
| Required for impacted areas which will not be used for future service and operations Soil Backfill and Cover Design Specification - based upon the appropriate requirements of Subsection H of 19 15 17 13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19 15 17 13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19 15 17 13 NMAC | | | | |
| Siting Criteria (Regarding on-site closure methods only: 19 15 17.10 NMAC Instructions Each siting criteria requires a demonstration of compliance in the closure plan Recommendations of acceptable source material are provided below Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval Instifications and/or demonstrations of equivalency are required Please refer to 19 15 17 10 NMAC for guidance | | | | |
| Ground water is less than 50 feet below the bottom of the buried waste | | Yes No | | |
| - NM Office of the State Engineer - IWATERS database search, USGS Data | obtained from nearby wells | N/A | | |
| Ground water is between 50 and 100 feet below the bottom of the buried v | vaste | ∏Yes ∏No | | |
| - NM Office of the State Engineer - iWATERS database search, USGS, Data | | □N/A | | |
| Cround water is more than 100 feet below the bettern of the himsel water | · | ☐Yes ☐No | | |
| Ground water is more than 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search, USGS, Data | obtained from nearby wells | □ res □ No □ □ N/A | | |
| - | | | | |
| Within 300 feet of a continuously flowing watercourse, or 200 feet of any other sig (measured from the ordinary high-water mark) | guificant watercourse or lakebed, sinkhole, or playa lake | ∐Yes ∐No | | |
| - Topographic map, Visual inspection (certification) of the proposed site | | | | |
| Within 300 feet from a permanent residence, school, hospital, institution, or churcl - Visual inspection (certification) of the proposed site, Aerial photo, satellite in | ••• | YesNo | | |
| | | Yes No | | |
| Within 500 horizontal feet of a private, domestic fresh water well or spring that les purposes, or within 1000 horizontal fee of any other fresh water well or spring, in a - NM Office of the State Engineer - iWATERS database, Visual inspection (co | existence at the time of the initial application | | | |
| Within incorporated municipal boundaries or within a defined municipal fresh water pursuant to NMSA 1978, Section 3-27-3, as amended | | Yes No | | |
| - Written confirmation or verification from the municipality, Written approval | obtained from the municipality | | | |
| Within 500 feet of a wetland US Fish and Wildlife Wetland Identification map, Topographic map, Visual | inspection (certification) of the proposed site | YesNo | | |
| Within the area overlying a subsurface mine | , | Пуеѕ Пуо | | |
| - Written confirantion or verification or map from the NM EMNRD-Mining at | nd Mineral Division | | | |
| Within an unstable area | | Yes No | | |
| - Engineering measures incorporated into the design, NM Bureau of Geology & Topographic map | & Mineral Resources, USGS, NM Geological Society, | | | |
| Within a 100-year floodplain - FEMA map | | Yes No | | |
| 18 | | | | |
| On-Site Closure Plan Checklist: (19 15 17 13 NMAC) Instructions: E by a check mark in the box, that the documents are attached. | ach of the following items must bee attached to the closs | ure plan. Please indicate, | | |
| Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19 15 17 10 NMAC | | | | |
| Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19 15 17 13 NMAC | | | | |
| Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19 15 17 11 NMAC | | | | |
| Construction/Design Plan of Temporary Pit (for in place burial of a drying pad) - based upon the appropriate requirements of 19 15 17 11 NMAC | | | | |
| Protocols and Procedures - based upon the appropriate requirements of 19 15 17 13 NMAC | | | | |
| Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19 15 17 13 NMAC | | | | |
| Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19 15 17 13 NMAC | | | | |
| Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved) | | | | |
| Soil Cover Design - based upon the appropriate requirements of Su | | | | |
| | Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19 15 17 13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19 15 17 13 NMAC | | | |

Form C-144 Oil Conservation Division Page 4 of 5

| 19 Operator Application Certification: | | |
|--|--|--|
| I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief | | |
| Name (Print) Title Signature Date | | |
| e-mail address Telephone | | |
| | | |
| OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment) OCD Representative Signature: Approval Date: 7/19/201[Title: OCD Permit Number: | | |
| Closure Report (required within 60 days of closure completion): Subsection K of 19 15 17 13 NMAC Instructions Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed. [X] Closure Completion Date: 6/15/2011 | | |
| 22 Closure Method: Waste Excavation and Removal On-site Closure Method Alternative Closure Method X Waste Removal (Closed-loop systems only) If different from approved plan, please explain | | |
| Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized. Disposal Facility Name Envirotech / JFJ Landfarm % IEI Disposal Facility Permit Number NM-01-0011 / NM-01-0010B Were the closed-loop system operations and associated activities performed on or in areas that will not be used for future service and operations? Yes (If yes, please demonstrate compliante to the items below) X No Required for impacted areas which will not be used for future service and operations Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique 24 Closure Report Attachment Checklist: Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached. | | |
| Proof of Closure Notice (surface owner and division) Proof of Deed Notice (required for on-site closure) Plot Plan (for on-site closures and temporary pits) Confirmation Sampling Analytical Results (if applicable) Waste Material Sampling Analytical Results (if applicable) Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique Site Reclamation (Photo Documentation) | | |
| On-site Closure Location LatitudeLongitudeNAD | | |
| 25 Operator Closure Certification: I hereby certify that the information and attachments submitted with this closure report is ture, accurate and complete to the best of my knowledge and belief 1 also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan | | |
| Name (Print) CRYSTAL TAFOYA Title. STAFF REGULATORY TECHNICIAN | | |
| Signature Cyptal 19/pya Date 7/13/11 | | |
| e-mail address <u>crystal tafoya@conocophillips conf</u> Telephone. (505) 326-9837 | | |